

Message Text

LIMITED OFFICIAL USE

PAGE 01 DUBLIN 02094 01 OF 03 070923Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11
CEA-01 STR-07 MCT-01 COM-02 AID-05 EB-08 FRB-03
TRSE-00 XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 /104 W
-----042107 071023Z /21/45

R 061452Z JUL 78
FM AMEMBASSY DUBLIN
TO SECSTATE WASHDC 0747
INFO AMEMBASSY LONDON
AMCONSUL BELFAST VIA POUCH

LIMITED OFFICIAL USE SECTION 01 OF 03 DUBLIN 2094

C O R R E C T E D C O P Y (TEXT)

E.O. 11652: N/A
TAGS: ECON, EFIN, PGOV, PINT, PEPR, UK, EI
SUBJECT: PARLIAMENTARY ADJOURNMENT SESSION FOCUSES
ON THE ECONOMY AND THE NORTH.

REF: A. DUBLIN 02032; B. 77 DUBLIN 2907

1. SUMMARY: THE JUNE 28-29 DAIL (LOWER HOUSE)
ADJOURNMENT SESSION CLOSING OUT THE LYNCH GOVERNMENT'S
FIRST YEAR IN OFFICE APPROPRIATELY FOCUSED ON TWO
DOMINANT TOPICS OF THE LAST TWELVE MONTHS, THE
ECONOMY AND THE NORTH. (THE DAIL WILL RECONVENE
OCTOBER 11). WITHRESPECT TO THE ECONOMY,
GOVERNMENT SPOKESMEN STOUTLY UPHELD THE ACHIEVA-
BILITY OF THEIR HIGHLY AMBITIOUS PROPOSALS TO
STIMULATE GROWTH AND ELIMINATE UNEMPLOYMENT WITH
SYNCHRONOUS IMPROVEMENT OF THE EXCHEQUER'S
FINANCIAL STANDING. ADJECTIVES SUCH AS "ABSURD,"
"PREPOSTEROUS" AND "UNFAIR," ON THE OTHER HAND,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 DUBLIN 02094 01 OF 03 070923Z

FLEW FROM THE OPPOSITION BENCHES REGARDING THE
GOVERNMENT'S JOB CREATION PREDICTIONS, GROWTH
TARGETS, AND TAXATION MEASURES. JACK LYNCH AND
HIS "FRONT BENCHERS" CITED TO GOOD EFFECT RECENT
STATISTICS SHOWING UNEMPLOYMENT DROPPING TO ITS
LOWEST LEVEL IN MORE THAN THREE YEARS, THE
INFLATION RATE AT ITS LOWEST SINCE THE EARLY

SEVENTIES, INDUSTRIAL PRODUCTION CLIMBING AT A RATE OF OVER TEN PERCENT, AND THE BALANCE OF PAYMENTS IN REASONABLE SHAPE. THE GOVERNMENT SEEMED TO WIN THIS SKIRMISH, BUT THEIR GOALS ARE AMBITIOUS AND PRECISE, AND VERY MUCH ON THE PUBLIC RECORD FOR FUTURE APPRAISAL. WITH RESPECT TO THE NORTH, THE TWO-DAY SESSION WAS SPICED NEITHER BY MEANINGFUL DEBATE NOR SIGNIFICANT NEW IDEAS. LYNCH CALLED FOR THE ABANDONMENT OF "POLICIES WHICH SEEK TO REPEAT THE PAST" AND FOR THE ACHIEVEMENT BY PEACEFUL MEANS OF THE UNITY AND INDEPENDENCE OF IRELAND. HE CALLED FOR A BRITISH DECLARATION OF WILLINGNESS TO ENCOURAGE IRISH UNITY, BUT NOTED THAT DAY TO DAY COOPERATION IN THE POLITICAL, ECONOMIC AND SECURITY SPHERES WOULD CONTINUE EVEN IN THE ABSENCE OF AGREEMENT ON LONG-TERM OBJECTIVES. LYNCH PROMISED SUPPORT FOR ANY EFFORT "TO ADVANCE THE IDEA OF DEVOLUTION ON THE PRINCIPLE OF POWER SHARING, PARTNERSHIP OR PARTICIPATION -HOWEVER DESCRIBED," PROVIDED BOTH SECTIONS OF THE COMMUNITY FIND IT ACCEPTABLE. HE STATED THAT THE IRISH PEOPLE DID NOT SUPPORT THE "CRUEL AND VICIOUS CAMPAIGN AT PRESENT BEING WAGED" IN THE NORTH AND REFERRED TO THE ENFORCEMENT BY THE GOI OF "SEVERE LAWS" AGAINST LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 DUBLIN 02094 01 OF 03 070923Z

THE MEN OF VIOLENCE. HE SUGGESTED THAT THOSE WHO CRITICIZE THE GOI ON THE EXTRADITION QUESTION WHILE THE IRISH-OFFERED ALTERNATIVE IS IGNORED ARE MOTIVATED BY SOMETHING OTHER THAN CONCERN WITH BRINGING FUGITIVE CRIMINALS TO JUSTICE. END SUMMARY.

2. THE ECONOMY: THE OECD, THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE AND EVEN THE IRISH CENTRAL BANK HAVE RECENTLY CALLED INTO QUESTION THE ACHIEVABILITY (ESPECIALLY SIMULTANEOUSLY) OF THE GOVERNMENT'S ECONOMIC TARGETS, I.E. SEVEN PERCENT GNP GROWTH ANNUALLY FOR 1978-80, REDUCTION OF INFLATION TO FIVE PERCENT BY 1980, THE CREATION OF 25,000 NET NEW JOBS ANNUALLY FOR 1978-80, THE REDUCTION OF THE BUDGET DEFICIT BY 1980 FROM 13 PERCENT IN 1978 TO EIGHT PERCENT OF GNP AND THE MAINTENANCE OF AN ACCEPTABLE BALANCE OF PAYMENTS SITUATION. A FORTNIGHT AGO THE GOVERNMENT ADDED YET ANOTHER AMBITIOUS GOAL WITH THE PUBLICATION OF ITS ECONOMIC GREEN PAPER (SEE REF A) -- THE ERADICATION OF UNEMPLOYMENT BY

1983. GIVEN THESE CIRCUMSTANCES ONE MIGHT HAVE EXPECTED THE OPPOSITION TO HAVE ENJOYED A FIELD DAY AT THE GOVERNMENT'S EXPENSE ON ECONOMIC ISSUES DURING THE ADJOURNMENT DEBATE. HOWEVER, NOTWITHSTANDING A VIRTUOSO PERFORMANCE BY FINE GAEL LEADER GARRET FITZGERALD, PRIME MINISTER LYNCH'S SPOKESMEN MORE THAN HELD THEIR OWN. THE GOVERNMENT, IN SHORT, WAS ABLE TO TRUNDLE OUT AN IMPRESSIVE ARRAY OF STATISTICS REFLECTING SUBSTANTIAL IMPROVEMENT IN THE ECONOMY, INTER ALIA SHOWING THAT: (A) UNEMPLOYMENT HAD DROPPED TO BELOW 100,000 (IN TERMS OF THOSE REGISTERED FOR SOCIAL WELFARE), THE LOWEST LEVEL IN OVER THREE YEARS, WITH PROSPECTS FAVORABLE FOR A LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 DUBLIN 02094 01 OF 03 070923Z

FURTHER DECLINE; (B) INFLATION DURING THE SECOND

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 DUBLIN 02094 02 OF 03 061516Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11
AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02
OPIC-03 LAB-04 SIL-01 OMB-01 CEA-01 STR-07 MCT-01
/102 W

-----032471 061607Z /45

R 061452Z JUL 78
FM AMEMBASSY DUBLIN
TO SECSTATE WASHDC 0748
INFO AMEMBASSY LONDON
AMCONSUL BELFAST VIA POUCH

LIMITED OFFICIAL USE SECTION 02 OF 03 DUBLIN 02094

QUARTER INCREASED BY ONLY SIX PERCENT OVER THE SECOND QUARTER OF 1977; (C) INDUSTRIAL PRODUCTION FOR THE FIRST QUARTER EXCEEDED THAT FOR JANUARY-MARCH 1977 BY MORE THAN 10 PERCENT;

AND (D) FOREIGN INVESTMENT CONTINUES IN RECORD INFLOWS.

3. LYNCH CONCEDED THAT SLACK INTERNATIONAL TRADE POSED A SERIOUS QUESTION FOR SUSTAINED ECONOMIC IMPROVEMENT IN IRELAND, BUT PROFESSED CONFIDENCE THAT DOMESTIC MEASURES COULD, IN FACT, KEEP IRELAND ON A STEADY GROWTH PATH. HE REITERATED THE IMPORTANCE OF PRIVATE INVESTMENT TO THE ECONOMY, CALLED FOR INCOMES (ESPECIALLY WAGE) RESTRAINT AND A RESPONSIBLE ATTITUDE VIS-A-VIS INDUSTRIAL RELATIONS, AND SUGGESTED, WITHOUT ELABORATION, THAT EXCESS DEMAND FOR IMPORTED CONSUMER GOODS MIGHT "AGGRAVATE THE BALANCE OF PAYMENTS TO THE POINT WHERE CORRECTIVE MEASURES MIGHT BE NECESSARY." GOVERNMENT SPOKESMEN SOUGHT TO PAINT THEIR OPPONENTS AS DEFEATISTS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 DUBLIN 02094 02 OF 03 061516Z

WHO WERE NOT WILLING TO GRASP THE NETTLE ON UNEMPLOYMENT.

4. THE GOVERNMENT SEEMED THE VICTOR IN THIS DEBATE BY VIRTUE OF THE ECONOMY'S CURRENT VITALITY. THEIR GOALS, HOWEVER, ARE EXCEEDINGLY AMBITIOUS AND PRECISE, AND VERY MUCH ON THE PUBLIC RECORD FOR FUTURE SCRUTINY AND APPRIASAL. THE NEXT ROUND WILL OCCUR OVER THE NEXT FEW MONTHS AS THE GOVERNMENT ENGAGES IN DISCUSSIONS WITH THE "SOCIAL PARTNERS" ON THE CONTENTS OF THE GREEN PAPER.

5. NORTHERN IRELAND: PM LYNCH DEVOTED A CONSIDERABLE PORTION OF HIS ADJOURNMENT SPEECH TO THE NORTH, BUT WITHOUT COVERING SIGNIFICANT NEW GROUND. THERE WAS NO PARTISAN DEBATE SIMILAR TO THAT ON ECONOMIC ISSUES, WITH LYNCH PRAISING OPPOSITION LEADERS FOR THEIR SUPPORT, ESPECIALLY FOR THEIR MAINTENANCE OF A UNITED FRONT DURING RECENT VISITS TO THE U.S. WITH RESPECT TO THE U.S., LYNCH STATED THAT GOI POLICY "IS FULLY UNDERSTOOD BY THE AMERICAN LEADERS WITH WHOM WE SPOKE AS A REFLECTION OF A UNITED POSITION HERE SUPPORTED BY THE ENTIRE SPECTRUM OF POLITICAL OPINION" IN IRELAND.

6. VIOLENCE AND EXTRADITION: LYNCH STATED THAT THE FAILURE OF NORTHERN IRELAND POLITICS TO PROVIDE REASSURANCE TO MINORITIES THAT THEY CAN HOPE FOR AN EFFECTIVE SHARE IN DECISION-MAKING HAS BEEN A MAJOR FACTOR IN THE RISE OF TERRORISM. THE IRISH GOVERNMENT HAS "PLEDGED ITS FULL RESOURCES" TO DEFEAT VIOLENCE, AND TO THIS END HAS ENACTED AND

ENFORCED A BODY OF LAWS "MORE SEVERE" THAN ANY IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 DUBLIN 02094 02 OF 03 061516Z

WESTERN EUROPE. LYNCH DEPLORED "STRIDENT ACCUSATIONS
ARISING OUT OF THE CONSTRAINTS ON OUR COURTS IN
RELATION TO EXTRADITION." "IT IS DIFFICULT TO
UNDERSTAND THE MOTIVATION OF THOSE WHO INSIST THAT
THE QUESTION MUST BE SOLVED IN ONE PARTICULAR FORM,
WHICH IS KNOWN TO PRESENT CONSTITUTIONAL AND LEGAL
DIFFICULTIES FOR US, AND FOR MANY OTHER COUNTRIES,
WHILE IGNORING OR DISMISSING AN ALTERNATIVE SOLUTION
WHICH WE ARE READY AND EAGER TO PUT INTO PRACTICE."

7. BRITISH DECLARATION ON UNITY: LYNCH CALLED FOR
THE ABANDONMENT OF "POLICIES WHICH SEEK TO REPEAT
THE PAST" AND ITS DECADES OF VIOLENCE. A JUST AND
LASTING PEACE, HE STATED, COULD BE ATTAINED ONLY
BY "A COMING TOGETHER OF THE PEOPLE OF THIS ISLAND,
IN PEACE, AND UNDER AGREED STRUCTURES...WE BELIEVE
THIS AIM CAN BEST BE ACHIEVED BY A DECLARATION BY
THE BRITISH GOVERNMENT OF THEIR WILLINGNESS TO
ENCOURAGE THE UNITY OF IRELAND, BY AGREEMENT, IN
INDEPENDENCE AND IN HARMONIOUS RELATIONSHIP BETWEEN
THE TWO ISLANDS." LYNCH NOTED THAT THE ABSENCE OF
AGREEMENT ON LONG TERM OBJECTIVES "DOES NOT INHIBIT"
NORTH-SOUTH COOPERATION BETWEEN BRITISH AND IRISH
AUTHORITIES.

8. MINORITY PARTICIPATION: THE BELIEF THAT THERE
CAN BE NO PEACE WITHOUT THE SUPPORT OF THE WHOLE
COMMUNITY IS FUNDAMENTAL TO GOI SUPPORT FOR "THE
POLICY RECENTLY REAFFIRMED BY THE NORTHERN IRELAND
SECRETARY OF STATE OF WORKING TOWARDS A SYSTEM
OF DEVOLVED GOVERNMENT IN WHICH THE ELECTED
REPRESENTATIVES OF BOTH PARTIES OF THE COMMUNITY
CAN PARTICIPATE ON A FAIR BASIS IN A WAY WHICH
WILL BE ACCEPTABLE TO A MAJORITY IN BOTH PARTS."
THE GOI WILL SUPPORT "ANY EFFORT TO ADVANCE THE
IDEA OF DEVOLUTION ON THE PRINCIPLE OF POWER

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 DUBLIN 02094 03 OF 03 061516Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11
CEA-01 STR-07 AID-05 COME-00 EB-08 FRB-03 TRSE-00
XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 MCT-01 /102 W
-----032473 061607Z /45

R 061452Z JUL 78
FM AMEMBASSY DUBLIN
TO SECSTATE WASHDC 0749
INFO AMEMBASSY LONDON
AMCONSUL BELFAST VIA POUCH

LIMITED OFFICIAL USE SECTION 03 OF 03 DUBLIN 02094

SHARING, PARTNERSHIP OR PARTICIPATION - HOWEVER
DESCRIBED" PROVIDED THE STRUCTURE IS ACCEPTABLE
TO BOTH COMMUNITIES. THE ATTEMPT TO ESTABLISH
INSTITUTIONS ON ANY OTHER BASIS BESIDES ACCEPTANCE
BY BOTH COMMUNITIES "COULD HAVE THE MOST
DISASTROUS CONSEQUENCES." RENDAHL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CENTRAL LEGISLATURE, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978DUBLIN02094
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780283-1090
Format: TEL
From: DUBLIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780792/aaaaczq.tel
Line Count: 299
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f979827a-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 DUBLIN 2, 77 DUBLIN 29
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2107804
Secure: OPEN
Status: NATIVE
Subject: PARLIAMENTARY ADJOURNMENT SESSION FOCUSES ON THE ECONOMY AND THE NORTH.
TAGS: ECON, EFIN, PGOV, PINT, PEPR, UK, EI
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/f979827a-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014